BEFORE THE ARIZONA CORPORATION COMMISSION

MARC SPITZER
Chairman
WILLIAM A. MUNDELL
Commissioner
JIM IRVIN
Commissioner
JEFF HATCH-MILLER
Commissioner
MIKE GLEASON
Commissioner

IN THE MATTER OF U S WEST COMMUNICATIONS, INC.'S COMPLIANCE WITH § 271 OF THE TELECOMMUNICATIONS ACT OF 1996.

DOCKET NO. T-00000A-97-0238

QWEST CORPORATION'S EXCEPTIONS REGARDING STAFF'S PROPOSED ORDER ON ISSUES ARISING FROM THE JULY 2002 SUPPLEMENTAL WORKSHOP

Qwest Corporation ("Qwest") hereby submits its exceptions to the Arizona Corporation Commission (the "ACC" or "Commission") Staff's Proposed Order on issues arising from the July 2002 Supplemental Workshop, submitted on August 19, 2003 ("Proposed Order").

I. Introduction

Qwest objects to certain provisions in the Proposed Order, as described below. Where possible, Qwest has proposed specific modifications to the Proposed Order to address its concerns.

II. Qwest's Exceptions regarding OSS related Checklist Item 2 Issues

A. Disputed Issue No. 1 -- Requirement to demonstrate that system-created discrepancies found by CGE&Y have been corrected.

Eschelon expressed concern regarding the accuracy of Qwest's Performance Indicator Definition ("PID") OP-5 (New Service Installation Quality). This disputed issue relates to coding issues described by Cap Gemini Ernst & Young ("CGE&Y") in its report of its analysis of the differences between Qwest's reported performance results and Eschelon's internally calculated results.

The Proposed Order requires Qwest to demonstrate that the system-created discrepancies found by CGE&Y have been corrected, including the presentation of "a comparison with the old method of calculating OP-5 for review by the parties."[1] Qwest has already complied with this requirement by submitting Attachment 1 to its comments[2] regarding Staff's Report on the July 30-31 Workshop (Report One Operational Support Systems Related Issues) ("Report One").

In its Report One Comments, Qwest established that its new calculation process eliminates the specified coding problems mentioned in CGE&Y's report. Qwest detailed the improvements to OP-5 it implemented to eliminate its reliance on the system aspects that created the limitations referenced in CGE&Y's report. Both pre- and post-improvement results for OP-5 were provided in Attachment 1 to Qwest's Report One Comments, which consists of a spreadsheet reflecting a side-by-side comparison of "Old" wholesale and retail results and "New" wholesale and retail results. The data established that the net effect of the changes

[1] Proposed Order at ¶17.

[2] Qwest Corporation's Comments Regarding Staff's Report on the July 30-31 Workshop (Report One Operational Support Systems Related Issues), dated March 10. 2003 ("Qwest's Report One Comments").

demonstrates that Qwest's performance was actually better than reported under the old results for both wholesale and retail, and most importantly, parity determinations were not affected by the changes from old to new results. Thus, Qwest has already established that its new calculation process eliminated the system-created discrepancies identified by CGE&Y and provided the comparison Staff sought.

Moreover, Qwest and the CLECs have discussed and agreed to improvements and changes to OP-5 through the Long Term PID Administration ("LTPA") forum.[3] As Staff states in its Proposed Order, "Staff agrees that these changes should address Staff's recommendations on this issue."[4] The language was finalized without any impasse issues.

Because Qwest has already complied with Staff's recommendations regarding OP-5, Qwest requests that paragraph 17 of the Proposed Order be deleted.

B. Disputed Issue No. 5 -- OSS Lack of Flow Through

This issue relates to Centrex conversions for which Qwest issues two orders -- a Disconnect order and a New Connect order -- where the orders are not worked together, resulting in a service outage. In those circumstances where a conversion requires Qwest to issue two orders the two orders are usually worked together so that the customer experiences only a very short disruption in service. In a subset of the two-order situations, if a problem with one of the two orders occurs, the customer may experience a longer outage than it otherwise would.

The Proposed Order requires Qwest to implement a proactive monitoring process to ensure that when a New Connect order falls out for manual handling there is an immediate

---

[3] Proposed Order at ¶15.

[4] *Id.*

response to restore service.[5] Qwest objects to this provision because it has already instituted proactive processes that satisfy Staff's recommendation.

As an initial matter, Qwest has significantly narrowed the types of Centrex conversion scenarios that can result in the condition to which Staff refers. Beginning in November 2002, full conversions from Centrex 21 to UNE-P POTS have been accomplished with a single Change order, rather than the two (New Connect and Disconnect) orders, eliminating the service interruptions that occur when a Disconnect order flows through, but the subsequent New Connect order falls out for manual handling. The issue remains only for partial conversions, where part of the account is converted to the new provider while the remainder of the account stays with the existing provider. As Qwest noted in its Report One Comments, in January 2003 -- just after the one-order process was implemented -- Qwest received only 11 CLEC calls reporting an out-of-service condition out of 8,479 completed LSRs associated with multiple orders (*i.e.*, conversion related), resulting in a relative error rate of 0.12%.[6] Similarly, in February 2003, Qwest received 7 calls from CLECs on 6,433 conversion LSRs, resulting in a 0.11% error rate. Thus, the number of scenarios that fall within the scope of Staff's recommendations is thus reduced to less than 1% -- reflecting that more than 99% of all Disconnect-New Connect orders are now consistently provisioned through the systems as modified without any unexpected service outage time.[7]

In addition to reducing the situations in which two orders are required, Qwest has emphasized controls in two areas to efficiently manage the fraction of affected orders: (1) improved order writing to properly cross reference the New Connect and corresponding

[5] Proposed Order at ¶¶32-34.

[6] Qwest's Report One Comments at 12, n.6.

Disconnect orders, allowing the orders to be processed together, avoiding service outages, and (2) close communication between the call handling centers that receive reports of problems from CLEC customers and the RCMAC, where orders fallout for manual handling. RCMAC personnel constantly monitor the queues to which these particular orders fall out and expeditiously clear the work queues on a first come, first serve basis. These controls provide a proactive, efficient means of monitoring any fallout from switch translations, thereby nearly eliminating the need for CLECs to notify Qwest of the condition. In contrast, Staff appears to suggest an inefficient, intensely manual process to address a situation that occurs in only a small fraction of the situations.

Moreover, Qwest will monitor its OP-5B results, which will reflect instances where the New Connect and Disconnect orders are not worked together.

Accordingly, Qwest requests that paragraph 35of the Proposed Order be modified as follows:

> 35. Staff ~~does not~~ agrees with Qwest. ~~and because of the seriousness of disconnecting a customer during conversion to a CLEC, Staff continues to support its initial recommendation. If~~ Qwest has~~is ultimately able to~~ proposed and has now implemented process improvements that~~through the CMP to~~ resolve this issue~~, this would of course be acceptable. However, until the problem can be resolved through improvements in Qwest's current processes, Staff's recommendation for proactive monitoring is reasonable~~. Because Qwest has satisfied Staff's recommendations, this issue is resolved. Qwest should demonstrate in its six-month post-entry report to this Commission that adequate processes remain in place to address this issue.

[7] Indeed, Qwest is not aware of any trouble reports associated with this issue within the past 90 days.

C. Disputed Issue No. 7 -- Billing Accuracy

As Staff notes in its Proposed Order, Qwest agreed with Eschelon and McLeod to a unique billing arrangement with these CLECs relating to a special product billing.[8] This arrangement, which is reflected in Qwest's interconnection agreements with these CLECs, requires Qwest to make a manual adjustment to the bills for UNE-Star. Although the interconnection agreement provisions describe the UNE-Star billing process as a temporary measure to be used until a mechanized process is in place, Eschelon has specifically instructed Qwest to not convert Eschelon's approximately 1400 lines to the mechanized process. If Eschelon were to direct Qwest to convert those lines, that could be accomplished within six to eight weeks.

The Proposed Order requires Qwest to count each bill for which a manual adjustment, consistent with the terms of the approved interconnection agreement, is still required as an ~~inaccurate bill or an error for purposes of calculating its~~ billing measurements until conversion to a mechanized billing process occurs.[9] In addition, the Proposed Order requires Qwest and Eschelon to work in good faith to resolve the issues associated with conversion to a mechanized billing process and to provide updates to Staff regarding the results of their negotiations.

These findings would result in an inequitable situation in which Qwest would be penalized for making manual adjustments to bills in accordance with the reasoned and deliberate approach to which the parties agreed. As set forth in Qwest's prior filings, Qwest has negotiated in good faith with Eschelon regarding this issue. Qwest has met with Eschelon regularly over the past three months and has successfully processed test orders to convert Arizona accounts to

[8] Proposed Order at ¶41.

[9] Proposed Order at ¶43.

the mechanized billing process. Nonetheless, Eschelon has yet to agree to issue LSRs to convert its remaining UNE-Star accounts to the mechanized billing process. It would be unfair to impose penalties on Qwest for complying with the agreed to process while Eschelon continues to postpone conversion of its accounts.

Moreover, Qwest's compliance with this agreed to process does not constitute the kind of adjustment that is appropriately measured in BI-3. Indeed, the FCC specifically addressed this issue in its *Qwest Minnesota Order*:

> As to UNE-Star, the evidence in the record indicates that the billing adjustments at issue were an agreed-upon mechanism to provide a true-up, and those adjustments do not reflect a problem with billing accuracy as we have examined it in past applications.[10]

Accordingly, Qwest requests that paragraph 43 of the Proposed Order be modified as follows:

> 43. We ~~dis~~agree with Qwest that a billing inaccuracy does not exist, pending conversion to a mechanized billing process. ~~We find Staff's initial recommendations on these issues to be reasonable. Qwest shall be required to count each bill for which a manual adjustment is still required, as an inaccurate bill or an error for purposes of calculating its billing measurements, until conversion occurs.~~ We agree with Staff that no further clarification or revision to the PID is needed. Both Qwest and Eschelon should work in good faith to resolve the issues associated with conversion to a mechanized billing process and should provide updates to Staff on the results of their negotiations.

[10] Memorandum Opinion and Order, *Application by Qwest Communications International Inc., for Authorization to Provide In-Region, InterLATA Services in Minnesota,* FCC 03-142, WC Docket No. 03-90 ("*Qwest Minnesota Order"*), ¶38.

III. Qwest's Exceptions regarding Non-OSS related Checklist Items 1 and 2 Issues

A. Disputed Issue No. 1 – UNE-P Feature Availability: Remote Access Forwarding

This issue relates to several issues Eschelon raised relating to UNE-P feature availability and Remote Access Forwarding ("RAF"). Qwest objects to the Proposed Order's provisions relating to availability of AIN features and voicemail, right to use fees for activating features, and training.

1. AIN features and voicemail.

Qwest agreed to provide certain AIN services to Eschelon as part of the UNE-Star agreement with Eschelon. Staff therefore recommended that Qwest be required to provide those services to all CLECs in Arizona. However, the agreement with Eschelon calls for Eschelon to order certain volumes over a certain term and to pay certain rates for the UNE-P service provided under the agreement. Qwest has not agreed to supply AIN services with UNE-P except under terms that pertain principally to volume and term commitments as the proprietary nature of AIN service software renders its costs high. Although Qwest has established that RAF, Scheduled Forwarding, Dial Lock, and Do Not Disturb are proprietary AIN features to which its unbundling obligations do not extend, Qwest agreed in July 2002 to provide these AIN services, as well as voicemail, to CLECs with UNE-P in Arizona after it receives approval of its section 271 application for Arizona.

The Proposed Order requires Qwest to make the four AIN features and voicemail available immediately, rather than after it receives Section 271 approval in Arizona, through the opt-in mechanism.[11] In addition, the Proposed Order states that "once the features are made

[11] Proposed Order at ¶63.

available by Qwest, they are no longer proprietary, and Qwest must continue to make them available to CLECs on a platform basis."[12] Qwest objects to these provisions.

As an initial matter, the four AIN features are not available through the opt-in mechanism without the inclusion of additional provisions set forth in the Eschelon agreement, principally related to term and volume commitments, that are legitimately related to the high costs of AIN service software due to its proprietary nature. Nonetheless, Qwest is willing to offer the four AIN features as new products/features. Further, Qwest is willing to offer those new products/features and voicemail to CLECs in Arizona prior to the time it receives Section 271 approval. However, Qwest's Wholesale Change Management Process Document ("Wholesale CMP") governs the process by which Qwest must present new offerings. Pursuant to that process, a new offering is defined as a Level 4 change, which must be initiated "using the CMP CR process and provide CLECs an opportunity to have input into the development of the change prior to implementation."[13] The Level 4 Change Request process involves collaboration between Qwest and the CLECs, along with CLEC comment periods, so that "the earliest possible implementation date would be forty five (45) calendar days from the initial notification."[14] Accordingly, while Qwest is willing to offer the four AIN features and voicemail to CLECs in Arizona prior to Section 271 approval, the timing of that offering will be governed by the defined CMP process.

Moreover, Staff is mistaken in concluding that Qwest's provision of a feature through proprietary software has any effect on the proprietary nature of the software. Staff's proposal appears to assume that a CLEC's use of a proprietary feature somehow negates its proprietary

---

[12] Proposed Order at ¶63.

[13] Wholesale CMP §5.4.5.

nature. This assumption is inconsistent with fundamental intellectual property law and the FCC's analysis in its *UNE Remand Order*, which recognized that an element that is proprietary still falls within that definition if a CLEC uses it.[15] Qwest's proprietary software remains proprietary when Qwest provides a feature to a CLEC using that software.

Accordingly, Qwest requests that paragraph 63 of the Proposed Order be modified as follows:

> 63. We agree with Staff's recommendations. It would be inappropriate for Qwest to condition the availability of the features upon its receipt of 271 approval. ~~Under the Federal Act, CLECs have a right to opt-in to any approved agreement. These amendments are now in effect, therefore, CLECs should be able to opt-in to them immediately. Further, with respect to limiting availability after December 31, 2005, while normally opt-in rights are coterminous with the termination date of the specific agreement which is being opted-into, we believe that the real issue to be whether once made available to CLECs, Qwest can subsequently claim that AIN features are proprietary and later withdraw them. We believe that once the features are made available by Qwest, they are no longer proprietary, and Qwest must continue to make them available to CLECs on a platform basis.~~ Qwest must make the four AIN features and voicemail available to CLECs in Arizona in accordance with the CMP process.

2. <u>Right to use fees for activating features.</u>

The Proposed Order adopts Staff's recommendations that would require Qwest to: (1) provide vendor feature documentation regarding whether a feature is or is not installed in a switch, (2) at the time Qwest receives a request for activation of a switch-based feature, use the CMP process to query CLECs regarding any features for which they anticipate requesting

---

[14] Wholesale CMP §5.4.5.1.

[15] Third Report and Order and Fourth Further Notice of Proposed Rulemaking, *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996*, FCC 99-238, CC Docket No. 96-98, (1999) ("*UNE Remand Order*"), *reversed and remanded in part sub. nom. United States Telecom Ass'n v. FCC*, 290 F.3d 415 (D.C. Cir. 2002) (*USTA*), *cert. denied sub nom. WorldCom, Inc. v. United States Telecom Ass'n*, 123 S.Ct 1571 (2003 Mem.), ¶¶39-40.

activation in the next 12 months, and (3) structure its charges for feature activation based on the responses.[16]

Qwest objects to these provisions because existing processes already adequately allow CLECs to determine what features are activated in a switch and to request non-activated features.

As an initial matter, it is important to note that, although this issue is discussed along with issues relating to AIN features, this issue does not involve AIN features. Instead, this issue addresses the availability of vertical switch features. Further, Qwest already provides the list of features that are activated in each Qwest switch via the ICONN database, which CLECs can access via Qwest's web site. Moreover, the Special Request Process ("SRP") is specifically intended for CLECs to use to determine whether a switch feature that is not currently activated in a particular switch can be activated, or loaded. The SRP, which is Exhibit F to Qwest's SGAT and is described in the SRP Product Catalog ("PCAT"),[17] states, in part:

> 1. The Special Request Process shall be used for the following requests:
>
> 1.1 Requesting specific product feature(s) be made available by Qwest that are currently available in a switch, but which are not activated.
>
> 1.2 Requesting specific product feature(s) be made available by Qwest that are not currently available in a switch, but which are available from the switch vendor.

The SRP further provides that Qwest will supply feasibility and cost information concerning a CLEC's request for loading or activation of switch features, including any applicable right to use fees. If a CLEC disputes the information provided, including Qwest's costs, it can use the

[16] Proposed Order at ¶¶65, 67.

[17] The SRP PCAT may be found at http://www.qwest.com/wholesale/preorder/bfrsrprocess.html.

escalation procedure or bring the dispute before this Commission for resolution. Thus, Qwest already satisfies Staff's recommendation to provide the specified information.

Staff's recommendation to require Qwest to query CLECs through the CMP forum regarding any features for which they anticipate requesting activation in the next 12 months appears to be directed at spreading right to use fees across all users, rather than imposing such fees on a single CLEC. As discussed above, Qwest's existing SRP already provides for the mechanism through which such fees are imposed. If CLECs desire to share any such costs, they may jointly submit an SRP request.

Accordingly, Qwest requests that paragraph 67 of the Proposed Order be modified as follows:

> 67. Staff agrees that Qwest's existing processes for providing information regarding features that are activated in each Qwest switch via the ICONN database and allowing CLECs to determine whether a switch feature not currently activated in a particular switch can be activated or loaded through the SRP process satisfy Staff's recommendations. ~~continues to support its recommendations on this issue since it does not believe that Qwest is obligated to provide the specific information proposed by Staff as part of the SRP process. Qwest may choose to supply the required information as part of its SRP process. The point is not how Qwest supplies the information, but that it routinely make the information available to CLECs. We believe that Staff's recommendations are reasonable and should be adopted.~~ Because Staff's recommendations are satisfied, this issue is resolved.

3. Training

This disputed issue arose from Eschelon's claim that Qwest's operations personnel gave conflicting information regarding the process by which CLECs request that switch features be activated.

The Proposed Order would require Qwest to "certify that its employees which interface with CLECs on end-user affecting issues have attended and passed the requisite training [regarding the proper processes for CLECs to request the features, functions, and capabilities of the switch]; that Qwest publish the training such employees are required to complete both on its website and its Code of Conduct; and that Qwest implement a streamlined complaint process for CLECs experiencing difficulties with Qwest representatives." The Proposed Order would also require Qwest to allow CLECs to provide equal opportunity for input into Qwest's relationship management survey.[18]

Qwest objects to these provisions for a number of reasons. First, Staff's recommendation regarding training, certification, and publication of results regarding the specific topic at issue here would constitute an unreasonably inefficient response to this discrete issue.

Qwest's training curriculum provides the information service managers (who are the Qwest employees that would interface with CLECs regarding processes related to switch features.) need to effectively serve their customers, including sources of information on a variety of topics. Because the range of possible CLEC inquiries is expansive, no training curriculum could address every conceivable issue that may be raised. Given the vast variety of issues that could arise, it would be unreasonable to mandate detailed training on particular narrow topics. Indeed, because specific information can change, it is sometimes more important that service managers know how to find answers than to have committed a particular answer to memory. Therefore, it would be unreasonable to impose Staff's disproportionate recommendations to address this discrete issue regarding the proper processes for CLECs to request the features, functions, and capabilities of the switch.

However, Qwest does have an existing mechanism in place that is proven to effectively address situations such as this, where it is appropriate to communicate specific information to a

[18] Proposed Order at ¶71.

large group of people. Qwest's Multi-Channel Communicator ("MCC") is the tool Qwest uses to simultaneously communicate with all wholesale service and operations employees. The MCC vehicle was repeatedly used during both the Arizona and ROC OSS tests to address issues that arose during testing, such as the issue presented here. The distribution of targeted information in MCCs consistently and efficiently produced the desired results and resolved test issues.

The MCC tool is particularly well suited to address Staff's concerns regarding more uniform provision of information to CLECs by Qwest employees regarding the processes by which CLECs may request information regarding the features, functions, and capabilities of the switch. Therefore, to satisfy Staff's recommendations, Qwest will send an MCC reminding its sales and service teams of the processes by which CLECs can request such information, including links to descriptions of those processes that are currently available to CLECs.

Second, Qwest currently provides CLECs with a streamlined, yet comprehensive, escalation process.[19] This flexible process does not prescribe rigid steps or time constraints, but allows CLECs to escalate to the appropriate Qwest manager. Because this escalation process provides CLECs with a versatile method for timely addressing any issues that may arise concerning availability of the features, functions, and capabilities of the switch, no additional process is warranted or appropriate. Therefore, Qwest's existing escalation process satisfies Staff's recommendation on this issue.

Third, Qwest objects to Staff's recommendation regarding CLEC input into the design of the relationship management survey because it violates a fundamental principle of survey methodology: if the target of a survey exerts control over the survey design or content, the survey will not yield valid results. Rather than collect information that may be of questionable

---

[19] The escalation process is described on Qwest's wholesale web site for CLECs at http://www.qwest.com/wholesale/clecs/exescover.html.

validity, Qwest, through an independent third party vendor, performed surveys of all of its customers, including retail, small and large business, and wholesale customers. The wholesale version of the survey was designed to cover all segments of the wholesale market with questions focusing on various segments, including CLECs.[20] In addition to calling the survey design into question, it would be unfair to allow a single segment of that market to negotiate its design or content. However, addressing Staff's desire to ensure that CLEC input is considered does not require that the survey be compromised.

Qwest has committed to continue to work with all of its customers, including its wholesale customers, to ensure that customers can voice concerns and, more importantly, that those concerns are appropriately resolved. Qwest's existing survey already includes questions that allow open-ended comments that provide CLECs the opportunity to raise any issue they desire (*i.e.*, questions that ask "how satisfied are you?" and "why?"). The responses to these broad questions will be presented to the wholesale organization, thus providing CLECs with the opportunity to provide any feedback they desire. Moreover, any suggestions included in the responses to the survey questions that identify additional topics for the survey itself will be considered for inclusion in the next survey. Indeed, Qwest's Wholesale Markets organization is currently reviewing the results of the 2003 survey to determine its plan of action. Thus, the existing survey, along with Qwest's commitment to resolve the concerns revealed through that process, resolve Staff's concerns regarding CLEC input regarding the survey.

More importantly, there are existing forums in place through which CLECs can not only raise any issue they desire, but can work with Qwest and other CLECs to resolve those issues. CLECs can raise and discuss issues through both the CMP and LTPA forums. These forums

[20] Qwest described the survey in detail in its Report One Reply Comments, at 4.

provide for open debates about all issues raised and even allow for state commission staffs to participate and observe how well those processes are working. Thus, in addition to the ability to provide input regarding Qwest's wholesale survey, CLECs also have ample existing opportunity to raise and resolve issues.

Accordingly, Qwest requests that paragraph 71 of the Proposed Order be modified as follows:

> 71. Staff continues to support its initial recommendations. We believe that Qwest has adequately demonstrated that its existing MCC, escalation, and survey processes satisfy Staff's recommendations. Qwest must submit evidence in its six-month post-entry report that it has sent a Multi-Channel Communicator ("MCC") to its wholesale service and operations employees describing the process by which CLECs may request information regarding the features, functions, and capabilities of the switch. ~~that Qwest should be required to certify that its employees which interface with CLECs on end-user affecting issues have attended and passed the requisite training; that Qwest publish the training such employees are required to complete both on its website and its Code of Conduct; and that Qwest implement a streamlined complaint process for CLECs experiencing difficulties with Qwest representatives. Staff also continues to recommend that Qwest submit a relationship management survey, as part of the CMP process, to CLECs to obtain their input on Qwest's performance. While Qwest argues that it is not appropriate for CLECs to direct the design of the survey, Staff believes that it is also inappropriate that Qwest unilaterally control the design of the survey. Staff believes that both the CLECs and Qwest should have equal input into the survey. This may be accomplished through an independent third party vendor which Qwest states is has already hired, as long as the third party vendor is able to maintain its independence and is able to give equal weight to all parties' input into the survey. As long as Qwest will provide assurances to the Commission that Qwest and the CLECs will have equal opportunity for input into the survey, and the final survey is submitted to both Qwest and the CLECs for input and final comments, Staff's concerns are met.~~ Because Qwest's existing processes satisfy Staff's concerns, w~~W~~e believe that Staff's recommendations have been met~~are reasonable~~.

B. Disputed Issue No. 6 -- Maintenance and Repair: Untimely Bills

This disputed issue relates to Qwest's commitment not to include untimely charges on CLEC bills. In Staff's Report Two, Staff noted that Qwest had advised that it implemented its new back-billing policy regarding maintenance and repair charges and simply recommended that

Qwest document the policy.[21] Eschelon subsequently claimed that Qwest had misinterpreted its own policy.

In its Late-Filed Exhibit G, Qwest stated that its policy regarding billing for maintenance charges "has been documented internally and Service Delivery Coordinators (SDCs) received training on this change which included the instruction not to manually issue any orders for any tickets over 45 days old."[22] In its Report Two Comments, Qwest reiterated its policy not to process maintenance and repair charges by writing a service order to put the charge on the bill if the date on which the work was completed is 45 days or more in arrears *of the process date*. However, the Proposed Order would prohibit Qwest from billing for maintenance charges on *bills issued* after 45 days from the date on which the maintenance or repair occurred.[23]

Qwest has substantially reduced the quantity of charges that fall under this issue. Eighty percent of Qwest's maintenance and repair charges are processed electronically, limiting the time required to process the charges. Charges for design and non-design services follow an automated process. However, trouble tickets for design services are held for 14 days in order to provide CLECs the opportunity to dispute the charges. After this period, these charges also follow an automated process.

The remaining 20% of maintenance and repair charges require that service orders be manually written to generate the charges. In order to ensure that these charges do not take an unreasonable amount of time to appear on the CLEC bills, the centers only write service orders to generate the maintenance and repair charge if the repair incident occurred within the last 45 days.

---

[21] Staff's Report Two, ¶92.

[22] Qwest's Notice of Filing Late-Filed Exhibit G, dated October 23, 2002.

This is consistent with Qwest's Report Two Comments, in which Qwest described its policy in terms of 45 days from the process date, in which Qwest explained that "maintenance and repair charges will not be processed if the date on which the work was completed is 45 days or more in arrears of *the process date*."[24]

Further, to ensure that Eschelon's concerns and Staff's recommendation are met, Qwest agrees that it will shorten its processing interval and will not process maintenance and repair charges that cannot be posted by the second bill cycle after the maintenance and repair occurred. Because this commitment requires system changes, the timeframe for Qwest's implementation of this change will be governed by the time required to make the necessary system changes and process changes. Qwest believes it can implement the necessary changes by October 31, 2003.

Accordingly, Qwest requests that paragraph 89 of the Proposed Order be modified as follows:

> 89. We believe that Qwest's offer to institute a policy not to process maintenance and repair charges that cannot be posted by the second bill cycle after the maintenance and repair occurred satisfies Staff's recommendation. Therefore, Qwest must implement this policy by October 31, 2003.~~Staff agrees with Eschelon that Qwest misinterpreted Staff's recommendation. Qwest should issue bills within 45 days of the date that the maintenance or repair occurred. As noted in Staff's June Report, this is consistent with Qwest's sworn testimony provided to the FCC that "bills are not issued on maintenance charges that are over 45 days old." Notarianni & Doherty Checklist Item 2 OSS Reply Declaration, para. 238 (July 26, 2002).~~

---

[23] Proposed Order at ¶¶87, 89.

[24] Qwest's Report Two Comments at 16 (emphasis added).

C. Disputed Issue No. 12 -- Collocation

This issue relates to Eschelon's claim that Qwest should not be permitted to charge CLECs the $345 quote preparation fee ("QPF") for minor activities such as terminating unused power.

The Proposed Order states that Staff agrees that the QPF should be cost based and that the $345 QPF developed in the wholesale pricing docket (Decision 64922) "was based upon information submitted by Qwest on the time and effort involved in this endeavor."[25] The Proposed Order appears to require Qwest to reduce its QPF for collocation augment quote preparations to reflect its actual cost in "[t]o the extent circumstances vary, and less time is involved."[26]

Qwest objects to this provision because it inappropriately reduces the already reduced $345 QPF for augments that this Commission recently established in the cost docket proceeding. Moreover, this rate represents Qwest's average cost -- meaning that Qwest's actual cost is sometimes higher than $345 and sometimes lower than $345. Accordingly, CLECs sometimes pay more than Qwest's actual costs and sometimes pay less than Qwest's actual costs, but overall pay an amount this Commission has established for QPFs. By definition, an averaged rate anticipates that Qwest's actual costs may sometimes be lower than the averaged rate. Thus, because the use of an averaged rate offsets lower actual costs against higher actual costs, it would be inappropriate and unfair to require Qwest to alter the QPF to reflect actual costs only when those costs are lower than the averaged rate because the effect would be to eliminate the offset against higher cost situations.

---

[25] Proposed Order at ¶117.

[26] Proposed Order at ¶117.

Accordingly, Qwest requests that paragraph 117 of the Proposed Order be modified as follows:

> 117. Staff agrees that the quote preparation fee should be cost based. The quote preparation fee developed <u>and approved</u> in the wholesale pricing docket<u>, Decision 64922,</u> was based upon information submitted by Qwest on the time and effort involved in this endeavor. ~~To the extent circumstances vary, and less time is involved, the price should reflect actual cost to Qwest.~~ <u>Staff supports the Commission's Decision 64922 dated June 12, 2002.</u>

D. Evidence of Qwest's Compliance

The Proposed Order states that "Qwest should be required to provide evidence that it has implemented Staff's recommendations . . . [to] be reviewed at the first six-month PAP review."[27] Qwest does not oppose the requirement to provide the evidence requested at the same time as the PAP review. However, it would not be appropriate to include such information in any PAP review this Commission may undertake, which should appropriately be focused on issues relating to PAP compliance.

Accordingly, Qwest requests that paragraph 138 of the Proposed Order be modified as follows:

> 138. With Staff's recommendations as to the resolution of all Checklist Item impasse issues as described above, Staff believes that all outstanding Checklist Item issues raised in the Supplemental Workshop have now been resolved. Qwest should be required to provide evidence that it has implemented Staff's recommendations<u> through its six-month post-entry report filed with this Commission</u>. ~~This evidence and the effectiveness of the recommendations will be reviewed at the first six-month PAP review.~~

IV. <u>Conclusion</u>

Qwest requests that the Commission adopt Staff's Proposed Order with the modifications Qwest has described above.

---

[27] Proposed Order at ¶138.

RESPECTFULLY SUBMITTED this 29th day of August, 2003.

By:

Timothy Berg
Theresa Dwyer
FENNEMORE CRAIG, P.C.
3003 North Central Ave., Suite 2600
Phoenix, Arizona 85012-2913
(602) 916-5421
(602) 916-5999 (fax)

QWEST CORPORATION
Andrew D. Crain
Public Policy and Law
1801 California Steet, Suite 4900
Denver, Co 80202-1984

Attorneys for Qwest Corporation

ORIGINAL and 13 copies of the
foregoing hand-delivered for filing this
29th day of August, 2003 to:

Docket Control
ARIZONA CORPORATION COMMISSION
1200 W. Washington St.
Phoenix, AZ 85007

COPY of the foregoing delivered
This 29th day of August, 2003 to:

Maureen A. Scott
Legal Division
ARIZONA CORPORATION COMMISSION
1200 W. Washington St.
Phoenix, AZ 85007

Ernest G. Johnson, Director
Utilities Division
ARIZONA CORPORATION COMMISSION
1200 W. Washington St.
Phoenix, AZ 85007

Lyn Farmer, Chief Administrative Law Judge
Jane Rodda, Administrative Law Judge
Hearing Division
ARIZONA CORPORATION COMMISSION
1200 W. Washington
Phoenix, AZ 85007

COPY of the foregoing mailed
this 29th day of August, 2003 to:

Eric S. Heath
SPRINT COMMUNICATIONS CO.
100 Spear Street, Suite 930
San Francisco, CA 94105

Thomas Campbell
LEWIS & ROCA
40 N. Central Avenue
Phoenix, AZ 85004

Joan S. Burke
OSBORN MALEDON, P.A.
2929 N. Central Ave., 21st Floor
PO Box 36379
Phoenix, AZ 85067-6379

Thomas F. Dixon
WORLDCOM, INC.
707 N. 17th Street #3900
Denver, CO 80202

Scott S. Wakefield
RUCO
1110 West Washington, Suite 220
Phoenix, AZ 85007

Michael M. Grant
Todd C. Wiley
GALLAGHER & KENNEDY
2575 E. Camelback Road
Phoenix, AZ 85016-9225

Michael Patten
ROSHKA, HEYMAN & DEWULF
400 E. Van Buren, Ste. 900
Phoenix, AZ 85004-3906

Mark DiNuzio
COX COMMUNICATIONS
20402 North 29th Avenue
Phoenix, AZ 85027-3148

Daniel Waggoner
DAVIS, WRIGHT & TREMAINE
2600 Century Square
1501 Fourth Avenue
Seattle, WA 98101

Traci Grundon
DAVIS, WRIGHT & TREMAINE
1300 S.W. Fifth Avenue
Portland, OR 97201

Richard S. Wolters
Maria Arias-Chapleau
AT&T Law Department
1875 Lawrence Street, #1575
Denver, CO 80202

Diane Bacon, Legislative Director
COMMUNICATIONS WORKERS OF AMERICA
5818 N. 7th St., Ste. 206
Phoenix, AZ 85014-5811

Philip A. Doherty
545 S. Prospect Street, Ste. 22
Burlington, VT 05401

W. Hagood Bellinger
4969 Village Terrace Drive
Dunwoody, GA 30338

Joyce Hundley
U.S. DEPARTMENT OF JUSTICE
Antitrust Division
1401 H Street N.W. #8000
Washington, DC 20530

Andrew O. Isar
TELECOMMUNICATIONS RESELLERS ASSOC.
4312 92nd Avenue, NW
Gig Harbor, WA 98335

Raymond S. Heyman
ROSHKA, HEYMAN & DEWULF
400 N. Van Buren, Ste. 800
Phoenix, AZ 85004-3906

Thomas L. Mumaw
SNELL & WILMER
One Arizona Center

Mike Allentoff
GLOBAL CROSSING SERVICES, INC.
1080 Pittsford Victor Road
Pittsford, NY 14534

Michael Morris
Allegiance Telecom of Arizona, Inc.
505 Sansome Street, 20th Floor
San Francisco, CA 94111

Gary L. Lane, Esq.
6902 East 1st Street, Suite 201
Scottsdale, AZ 85251

Kevin Chapman
SBC TELECOM, INC.
1010 N. St. Mary's, room 13K
San Antonio, TX 78215-2109

Richard Sampson
Z-TEL COMMUNICATIONS, INC.
601 S. Harbour Island, Ste. 220
Tampa, FL 33602

Megan Doberneck
COVAD COMMUNICATIONS COMPANY
7901 Lowry Boulevard
Denver, CO 80230

Richard P. Kolb
Vice President of Regulatory Affairs
ONE POINT COMMUNICATIONS
Two Conway Park
150 Field Drive, Ste. 300
Lake Forest, IL 60045

Attorney General
OFFICE OF THE ATTORNEY GENERAL
1275 West Washington
Phoenix, AZ 85007

Steven J. Duffy
RIDGE & ISAACSON, P.C.
3101 North Central Ave., Ste. 1090
Phoenix, AZ 85012

Karen Clauson
ESCHELON TELECOM
730 Second Avenue South, Ste. 1200
Minneapolis, MN 55402

Curt Huttsell
State Government Affairs
Electric Lightwave, Inc.
4 Triad Center, Suite 200
Salt Lake City, UT 84180

Brian Thomas
Time Warner Telecom, Inc.
223 Taylor Avenue North
Seattle, WA 98109

David Kaufman
ESPIRE Communications
1129 Paseo De Peralta
Santa Fe. NM 87501

PHX/1456500.1/67817.150